

Message Text

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43

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SUBJECT: JWG ON ECONOMIC AND FINANCIAL COOPERATION:
JOINT PRESS STATEMENT

FOLLOWING IS AGREED PRESS STATEMENT ISSUED ONBEHALF OF
US-EGYPTIAN JOINT WORKING GROUP ON ECONOMIC AND
FINANCIAL COOPERATION ON NOV 5:

1. BEGIN TEXT: THE US-EGYPTIAN JOINT WORK GROUP
ON ECONOMIC AND FINANCIAL COOPERATION HELD ITS SECOND
SESSION IN CAIRO, NOVEMBER 3-5, 1974. ASSISTANT SECRETARY
OF THE TREASURY, GERALD L. PARSKY, HEADED THE US
DELEGATION, WHICH INCLUDED SENIOR OFFICIALS FROM THE
DEPARTMENTS OF STATE, TREASURY, COMMERCE AND OTHER
AGENCIES, MINISTER TAHER AMIN AND DR. AHMAD EFFAT LED
THE DISCUSSION FOR THE EGYPTIAN DELEGATION WHICH INCLUDED
SENIOR OFFICIALS FROM THE MINISTRIES OF INTERNATIONAL
ECONOMIC COOPERATION, INDUSTRY, HOUSING AND CONSTRUCTION,
AND THE MINISTRY OF FOREIGN AFFAIRS; AS WELL AS THE SUEZ
CANAL AUTHORITY AND THE AUTHORITY FOR ARAB AND FOREIGN
INVESTMENTS AND FREE ZONES.

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2. THE WORKING GROUP SESSION WAS MARKED BY A SPIRIT OF FRIENDSHIP AND CORIDALITY. IMPORTANT PROGRESS WAS MADE IN JOINT EFFORTS TO BROADEN ECONOMIC TIES BETWEEN THE EGYPTIAN AND AMERICAN PEOPLE AND TO ENHANCE EGYPT'S OPPORTUNITIES FOR ECONOMIC DEVELOPMENT.

3. THE WORKING GROUP EXAMINED IN DEPT THE MANY FACETS OF THE ECONOMIC RELATIONSHIP OF THE TWO COUNTRIES, EXPLORING ADDITIONAL MEANS OF PROMOTING COOPERATIVE EFFORTS. EGYPT'S ECONOMIC DEVELOPMENT PLANS AND PRIORITIES WERE REVIEWED, AND OPPORTUNITIES FOR JOINT VENTURES IN PETROLEUM, PETRO-CHEMICALS, AGRICULTURE, CONSTRUCTION, AND OTHER INDUSTRIES IDENTIFIED. IN THIS REGARD, BOTH DELEGATIONS EXPLORED MEANS OF FACILITATING INVESTMENT IN THE EGYPTIAN ECONOMY BY US INVESTORS, BOTH DIRECTLY AND IN CONJUNCTION WITH INVESTORS OF OTHER COUNTRIES. FURTHER THE GROUP DISCUSSED THE DESIRABILITY OF INCREASED US BANK PRESENCE IN EGYPT. THE EGYPTIAN SIDE STRESSED THEIR WILLINGNESS TO HAVE SUCH A PRESENCE AND INDICATED THAT THEY HAVE GRANTED ALL NECESSARY PERMISSION TO INTERESTED BANKS. FURTHER DISCUSSIONS WERE HELD ON WAYS OF ENHANCING PROJECT DEVELOPMENT CAPABILITY AS A MEANS OF PROVIDING THE BASIS UPON WHICH FOREIGN AND DOMESTIC RESOURCES CAN BE EFFECTIVELY UTILIZED IN THE DEVELOPMENT EFFORT.

4. THE WORKGROUP DISCUSSED THE VARIOUS PROVISIONS OF EGYPT'S NEW INVESTMENT LAW, RESULTING IN CLARIFICATION ON A NUMBER OF PROVISIONS. IT AGREED ON THE IMPORTANCE OF THE RAPID DEVELOPMENT OF A SET OF IMPLEMENTING REGULATIONS WHICH PROVIDE SPECIFICITY TO THE PROVISIONS OF THE SAID LAW. THE WORKING GROUP WAS INFORMED OF THE PROGRESS MADE IN PREPARING THESE REGULATIONS WHICH ARE NOW IN THE FINAL STAGES OF APPROVAL. THE WORKING GROUP WAS ENCOURAGED BY THE UNPARALLELED INTEREST EXPRESSED BY PRIVATE FIRMS IN INVESTING IN EGYPT AND EXPRESSED ITS DETERMINATION TO WORK TOGETHER TO TRANSLATE THIS INTEREST INTO CONCRETE PROJECTS.

5. THE WORKING GROUP AGREED TO ACCELERATE FORMATION OF A JOINT BUSINESS CHAMBER. AS SOON AS POSSIBLE CO-CHAIRMEN

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WILL BE DESIGNATED, AND A STEERING COMMITTEE WHICH WILL BE CHARGED WITH THE FORMATION OF THE JOINT CHAMBER WILL BE ESTABLISHED. THE TWO CO-CHAIRMEN WILL CONVENE A MEETING OF THE STEERING COMMITTEE AT AN EARLY DATE. BOTH DELEGATIONS BELIEVED THAT THE CHAMBER CAN HELP SIGNIFICANTLY TO ESTABLISH CLOSER TIES BETWEEN THE US AND EGYPTIAN BUSINESS COMMUNITIES.

6. MAJOR PROGRESS WAS MADE DURING THE TALKS TOWARD AGREEMENT ON A TAX TREATY BETWEEN EGYPT AND THE US, SIGNATURE OF WHICH IS EXPECTED AT AN EARLY DATE. THE US ALSO AGREED TO PROVIDE ASSISTANCE TO EGYPT TO INCREASE THE EFFICIENCY OF ITS TAX ADMINISTRATION SYSTEM.

7. THE WORKING GROUP REVIEWED THE STATUS OF VARIOUS FORMS OF DIRECT ASSISTANCE INCLUDING: RECONSTRUCTION PROGRAMS, EXPORT-IMPORT BANK CREDITS, SHIPMENTS OF FOOD AND OTHER COMMODITIES UNDER THE PL-480 PROGRAM AND THE FINANCING PROGRAMS OF THE COMMODITY CREDIT CORPORATION, AND THE OVERSEAS PRIVATE INVESTMENT CORPORATION'S LENDING AND GUARANTEE ACTIVITIES.

8. A SPECIAL TECHNICAL MISSION OF US AGRICULTURAL ADVISORS WILL ARRIVE IN CAIRO WITHIN A FEW DAYS TO EXPLORE EGYPT'S NEEDS IN HYDROLOGY, LAND RECLAMATION, AND DRAINAGE AS A BASIS FOR THE DEVELOPMENT OF POSSIBLE ASSISTANCE PROGRAMS IN THESE AREAS.

9. THE WORKING GROUP AGREED TO ESTABLISH CLOSER LIAISON TO ENHANCE EGYPTIAN EFFORTS TO PUBLICIZE THE OPPORTUNITIES FOR PRIVATE FOREIGN INVESTMENT IN EGYPT.

10. IN CONCLUDING THE MEETINGS, THE WORKING GROUP NOTED THAT THE GROWING SPIRIT OF MUTUAL UNDERSTANDING BETWEEN EGYPT AND THE US WOULD STRENGTHEN JOINT EFFORTS TO BRING ABOUT THE SUCCESS OF THE ECONOMIC DEVELOPMENT PLANS OF THE EGYPTIAN GOVERNMENT AND WOULD CONTRIBUTE TO A CONTINUING AND LASTING PEACE IN THE MIDDLE EAST.
END TEXT.
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